

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

SB 2078 - HB 2184

March 13, 2020

SUMMARY OF ORIGINAL BILL: Requires all ambulance providers to, no later than May 31 of each calendar year, file an annual cost and utilization report reflecting the most recently completed calendar year. Authorizes the Division of TennCare (Division) to assess a \$100 penalty for each day the report is overdue.

Requires the Division to use the annual cost and utilization report submitted pursuant to Tenn. Code Ann. § 71-5-1507 for the calculation of assessments if neither the quarterly transport data nor total transports submitted to the office of Emergency Medical Services (EMS) are adequate or available.

Deletes the requirement for each ambulance provider, no more than 90 days after the end of each calendar year, to submit revenue reports to the Division for the purposes of the *Ground Ambulance Service Provider Assessment Act*.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (014689): Deletes and rewrites all language after the enacting clause such that the only substantive change is to add language to extend the *Ground Ambulance Provider Assessment Act* until June 30, 2021.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On February 20, 2020, a fiscal memorandum was issued for this legislation estimating a fiscal impact of:

Increase State Revenue - \$10,690,200/FY20-21/

Ambulance Service Assessment Revenue Fund

Increase State Expenditures - \$10,690,200/FY20-21/

Ambulance Service Assessment Revenue Fund

Increase Federal Expenditures \$20,639,100/FY20-21/

Ambulance Service Assessment Revenue Fund

Revenue recognition in the amount of \$11,709,700 is included in the Governor's proposed budget (page A-34) for FY20-21. Corresponding non-recurring appropriations in the amount of \$34,245,100 (\$11,709,700 in state funds and \$22,535,400 in federal matching funds) are also included.

Based on new information provided by the Division, the estimated fiscal impact has been corrected as follows:

(CORRECTED)

Increase State Revenue - \$10,690,200/FY20-21/

Ambulance Service Assessment Revenue Fund

Increase State Expenditures - \$10,690,200/FY20-21/

Ambulance Service Assessment Revenue Fund

Increase Federal Expenditures \$20,567,000/FY20-21/

Ambulance Service Assessment Revenue Fund

Revenue recognition in the amount of \$11,709,700 is included in the Governor's proposed budget (page A-34) for FY20-21. Corresponding non-recurring appropriations in the amount of \$34,245,100 (\$11,709,700 in state funds and \$22,535,400 in federal matching funds) are also included.

Corrected assumptions for the bill as amended:

- Passage of this legislation will extend the *Ground Ambulance Provider Assessment Act* until June, 30, 2021.
- Based on information provided by the Division, the coverage assessment on ambulance services from extending this Act will result in one-time revenue to the Ambulance Service Assessment Revenue Fund (ASARF) of \$10,690,181.
- It is estimated \$10,612,681 (\$10,690,181 - \$77,500) will be expended at a state rate of approximately 34.122 percent and will receive federal matching funds at a rate estimated to be 65.878 percent. The resulting increase in federal funds will be approximately \$20,489,485 [$(\$10,612,681 / 34.122\%) \times 65.878\%$].
- It is estimated \$77,500 will be expended at a state rate of approximately 50 percent and will receive federal matching funds at a rate estimated to be 50 percent. The resulting increase in federal funds will be approximately \$77,500 [$(\$77,500 / 50.0\%) \times 50.0\%$].

- The total increase in federal funds will be \$20,566,985 (\$20,489,485 + \$77,500).
- The total increase to the ASARF is approximately \$31,257,166 (\$10,690,181 state + \$20,566,985 federal).

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

On February 20, a fiscal memorandum was issued for this legislation estimating a commerce impact of:

Increase Business Revenue – \$31,329,300/FY20-21

Increase Business Expenditures – \$31,329,300/FY20-21

Jobs Impact – Not Significant

Based on new information provided by the Division, the estimated commerce impact has been corrected as follows:

(CORRECTED)

Increase Business Revenue – \$31,257,200/FY20-21

Increase Business Expenditures – \$31,257,200/FY20-21

Jobs Impact – Not Significant

Corrected assumptions for the bill as amended:

- Ambulance providers will incur a one-time increase in business revenue to cover costs of ground ambulance transport occurring in FY20-21.
- Ambulance service providers will incur a one-time increase in business expenditures in FY20-21 for funding the state portion of the Act.
- The proposed legislation will not increase the number of ambulance service providers. It just extends the Act until June 30, 2021; therefore, any impact to jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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